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IN REPLY REFER TO:
Ansley Watson, Jr.
P.O. Box 1531
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e-mail: aw@macfar.com

April 29, 2005

VIA FEDEX

Blanca S. Bayo, Director
Division of Commission Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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MAY - 2 PM 1:44
COMMISSION CLERK

Re: Docket No. 050004-GU – Natural gas conservation cost recovery

Dear Ms. Bayo:

Enclosed for filing with the Commission on behalf of Peoples Gas System, please find the original and 15 copies of the following:

- Peoples' Petition for Approval of True-Up Amounts (for the period January through December 2004);
- Exhibit ___(KMF-1), consisting of Schedules CT-1 through CT-6 for Peoples' divisions other than the West Florida Region; and
- Exhibit ___(KMF-2), consisting of Schedules CT-1 through CT-6 for Peoples' West Florida Region.

The enclosed exhibits will be offered by Peoples at the hearing in this docket scheduled to commence on November 7, 2005.

Please acknowledge your receipt and the date of filing of the enclosures on the enclosed duplicate copy of this letter, and return the same to me in the enclosed preaddressed envelope.

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DOCUMENT NUMBER-DATE
04274 MAY-2 05
EPSC-COMMISSION CLERK

Blanca S. Bayo, Director
April 29, 2005
Page 2

Thank you for your usual assistance.

Sincerely,

A handwritten signature in black ink that reads "Ansley Watson, Jr." The signature is written in a cursive style with a large, looping initial 'A'.

ANSLEY WATSON, JR.

AWjr/a
Enclosures

cc: Parties of Record
Mrs. Kandi M. Floyd
Mr. W. Edward Elliott
Matthew R. Costa, Esquire

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Natural gas conservation cost recovery.)
)
)

Docket No. 050004-GU
Submitted for Filing:
5-2-05

**PETITION OF PEOPLES GAS SYSTEM
FOR APPROVAL OF TRUE-UP AMOUNTS**

Peoples Gas System ("Peoples"), through undersigned counsel and pursuant to Rule 25-17.015, *Florida Administrative Code*, petitions the Commission for approval of its end-of-period final energy conservation cost recovery true-up amounts for the period January 1 through December 31, 2004, and in support thereof says:

- 1. The name and address of the Petitioner are:

Peoples Gas System
P. O. Box 2562
Tampa, Florida 33601-2562

- 2. The persons to whom notices, orders, pleadings and correspondence in this docket should be addressed are:

Ansley Watson, Jr.
Macfarlane Ferguson & McMullen
P. O. Box 1531
Tampa, Florida 33601-1531

Ms. Angela L. Llewellyn
Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, Florida 33601-0111

Matthew R. Costa
Corporate Counsel
TECO Energy, Inc.
P. O. Box 111
Tampa, Florida 33601-0111

- 3. Peoples' calculation of the true-up amounts for which approval is hereby requested is consistent with the Commission's prescribed methodology. These calculations and the supporting documentation are contained in Exhibits ___(KMF-1), covering Peoples' divisions other than the West Florida Region, and ___(KMF-2),

DOCUMENT NUMBER 04274

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covering Peoples' West Florida Region, each of which consists of the Energy Conservation Cost Recovery True-Up Reporting Forms, completed as directed by the Commission Staff. Exhibits ___(KMF-1) and ___(KMF-2) are submitted for filing with this petition.

4. For the period January through December 2004, Peoples has calculated its end-of-period final true-up amount for its divisions other than the West Florida Region to be an overrecovery, including principal and interest, of \$1,573,605. For the same period, the end-of-period final true-up amount for the West Florida Region, including principal and interest, is an underrecovery of \$2,114,460.

WHEREFORE, Peoples Gas System respectfully requests that the Commission grant this petition and approve:

A. the overrecovery of \$1,573,605 as the final true-up amount for the January through December 2004 period in Peoples' divisions other than the West Florida Region; and

B. the underrecovery of \$2,114,460 as the final true-up amount for the January through December 2004 period in Peoples' West Florida Region.

Respectfully submitted,



Ansley Watson, Jr.
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the foregoing petition, together with copies of Exhibits ___(KMF-1) and ___(KMF-2), have been furnished by U. S. Mail, this 29th day of April, 2005, to the following:

Martha Brown, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Florida City Gas
955 East 25th Street
Hialeah, FL 33013-3498

Mr. Thomas A. Geoffroy
Florida Division
Chesapeake Utilities Corporation
P. O. Box 960
Winter Haven, FL 33882-0960

Florida Public Utilities Company
Mr. Geoff Hartman
P. O. Box 3395
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Mr. Stuart L. Shoaf
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Port St. Joe, FL 32457-0549

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Regulatory Affairs
Peoples Gas System
P. O. Box 111
Tampa, FL 33601-0111



Ansley Watson, Jr.

PEOPLES GAS SYSTEM

NATURAL GAS

CONSERVATION COST RECOVERY

TRUE-UP

JANUARY 2004 - DECEMBER 2004

DOCKET NO. 050004-GU

INDEX

<u>EXHIBIT</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
KMF-1	CT Schedules Except West Florida Region	1
KMF-2	CT Schedules West Florida Region	16

SCHEDULE CT-1

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

ADJUSTED NET TRUE-UP
JANUARY 2004 THROUGH DECEMBER 2004

END OF PERIOD NET TRUE-UP

PRINCIPAL	-1,559,710	
INTEREST	<u>-13,895</u>	-1,573,605

LESS PROJECTED TRUE-UP

PRINCIPAL	-426,654	
INTEREST	<u>-10,127</u>	<u>-436,781</u>

ADJUSTED NET TRUE-UP		<u>-1,136,824</u>
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() REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2004 THROUGH DECEMBER 2004

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	383,832	404,659	-20,827
MATERIALS & SUPPLIES	771	1,654	-883
ADVERTISING	885,088	728,628	156,460
INCENTIVES	6,152,860	6,935,624	-782,764
OUTSIDE SERVICES	3,731	25,213	-21,482
VEHICLES	0	0	0
OTHER	<u>458</u>	<u>333</u>	<u>125</u>
SUB-TOTAL	7,426,740	8,096,111	-669,371
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	7,426,740	8,096,111	-669,371
ADJUSTMENTS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-8,986,450	0	-8,986,450
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	-1,559,710	8,096,111	-9,655,821
INTEREST PROVISION	<u>-13,895</u>	<u>0</u>	<u>-13,895</u>
END OF PERIOD TRUE-UP	<u>-1,573,605</u>	<u>8,096,111</u>	<u>-9,669,716</u>

*) REFLECTS OVER-RECOVERY
8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

COMPANY: Peoples Gas System
 Except West Florida Region
 Exhibit No. _____
 Docket No. 050004-GU
 KMF-1

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
 JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	5,534,310	0	0	0	5,534,310
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	660	0	0	0	660
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	218,000	0	0	0	218,000
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	93,385	0	0	0	93,385
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	256,065	0	0	0	256,065
PROGRAM 6: COMMON COSTS	383,832	771	885,088	0	3,731	0	458	1,273,880
PROGRAM 7: GAS SPACE COND.	0	0	0	50,440	0	0	0	50,440
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	383,832	771	885,088	6,152,860	3,731	0	458	7,426,740

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COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	-736,496	0	0	0	-736,496
PROGRAM 2: OIL HEAT REPLACEMENT	0	0	0	-1,322	0	0	0	-1,322
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	500	0	0	0	500
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	19,016	0	0	0	19,016
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	-19,894	0	0	0	-19,894
PROGRAM 6: COMMON COSTS	-20,827	-883	156,460	0	-21,482	0	125	113,393
PROGRAM 7: GAS SPACE COND.	0	0	0	-37,900	0	0	0	-37,900
PROGRAM 8: SMALL PACKAGE COGEN	0	0	0	-6,668	0	0	0	-6,668
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL TOTAL OF ALL PROGRAMS	-20,827	-883	156,460	-782,764	-21,482	0	125	-669,37

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
 SUMMARY OF EXPENSES BY PROGRAM BY MONTH
 JANUARY 2004 THROUGH DECEMBER 2004

EXPENSES:	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEPT 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
PROGRAM 1:	763,550	395,870	593,610	619,685	332,480	445,045	547,990	399,000	342,380	427,910	425,935	240,855	5,534,310
PROGRAM 2:	330	0	0	0	0	0	0	0	0	0	0	330	660
PROGRAM 3:	19,000	21,000	15,800	21,900	15,500	15,800	16,800	17,000	14,800	16,800	24,100	19,500	218,000
PROGRAM 4:	1,320	7,516	2,160	16,765	9,840	13,440	6,840	360	14,184	5,720	4,000	11,240	93,385
PROGRAM 5:	20,190	21,037	21,570	25,870	22,820	21,430	19,015	18,515	14,675	16,360	27,175	27,408	256,065
PROGRAM 6:	66,575	58,029	102,268	142,899	71,465	53,683	90,424	83,945	110,853	87,963	127,939	277,838	1,273,880
PROGRAM 7:	11,290	0	24,000	0	13,650	0	0	0	0	1,500	0	0	50,440
PROGRAM 8:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 9:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 10:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 11:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 12:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 13:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 14:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 15:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 16:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 17:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 18:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 19:	0	0	0	0	0	0	0	0	0	0	0	0	0
PROGRAM 20:	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL	882,255	503,452	759,408	827,119	465,755	549,398	681,069	518,820	496,892	556,253	609,149	577,171	7,426,740
LESS AMOUNT INCLUDED IN RATE BASE	0	0	0	0	0	0	0	0	0	0	0	0	0
RECOVERABLE CONSERVATION EXPENSES	882,255	503,452	759,408	827,119	465,755	549,398	681,069	518,820	496,892	556,253	609,149	577,171	7,426,740

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ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

NSERVATION VENUES	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
CONSERV. ADJ REVS	-1,172,541	-1,143,435	-1,004,528	-867,431	-784,348	-643,709	-569,175	-580,482	-577,152	-580,660	-660,154	-867,647	-9,451,26
TOTAL REVENUES	-1,172,541	-1,143,435	-1,004,528	-867,431	-784,348	-643,709	-569,175	-580,482	-577,152	-580,660	-660,154	-867,647	-9,451,26
PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	38,734	464,81
CONSERVATION REVS APPLICABLE TO THE PERIOD	-1,133,807	-1,104,700	-965,794	-828,697	-745,614	-604,974	-530,440	-541,748	-538,418	-541,926	-621,420	-828,913	-8,986,45
CONSERVATION EXPS (FROM CT-3, PAGE 1)	882,255	503,452	759,408	827,119	465,755	549,398	681,069	518,820	496,892	556,253	609,149	577,171	7,426,74
TRUE-UP THIS PERIOD	-251,552	-601,249	-206,386	-1,578	-279,859	-55,577	150,629	-22,928	-41,525	14,328	-12,271	-251,742	-1,559,71
INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	278	-122	-480	-612	-786	-1,104	-1,296	-1,390	-1,628	-1,875	-2,171	-2,709	-13,89
TRUE-UP & INTER. PROV. BEGINNING OF MONTH	464,811	174,803	-465,302	-710,902	-751,826	-1,071,205	-1,166,621	-1,056,022	-1,119,074	-1,200,962	-1,227,243	-1,280,420	
PRIOR TRUE-UP COLLECTED/(REFUNDED)	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	-38,734	
TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	174,803	-465,302	-710,902	-751,826	-1,071,205	-1,166,621	-1,056,022	-1,119,074	-1,200,962	-1,227,243	-1,280,420	-1,573,605	-1,573,60

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEPT 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
INTEREST PROVISION													
BEGINNING TRUE-UP	464,811	174,803	-465,302	-710,902	-751,826	-1,071,205	-1,166,621	-1,056,022	-1,119,074	-1,200,962	-1,227,243	-1,280,420	
ENDING TRUE-UP BEFORE INTEREST	<u>174,525</u>	<u>-465,180</u>	<u>-710,422</u>	<u>-751,214</u>	<u>-1,070,419</u>	<u>-1,165,516</u>	<u>-1,054,726</u>	<u>-1,117,684</u>	<u>-1,199,334</u>	<u>-1,225,368</u>	<u>-1,278,249</u>	<u>-1,570,897</u>	
TOTAL BEGINNING & ENDING TRUE-UP	639,336	-290,377	-1,175,723	-1,462,116	-1,822,246	-2,236,722	-2,221,347	-2,173,706	-2,318,408	-2,426,330	-2,505,492	-2,851,317	
AVERAGE TRUE-UP (LINE 3 TIMES 50%)	<u>319,668</u>	<u>-145,189</u>	<u>-587,862</u>	<u>-731,058</u>	<u>-911,123</u>	<u>-1,118,361</u>	<u>-1,110,674</u>	<u>-1,086,853</u>	<u>-1,159,204</u>	<u>-1,213,165</u>	<u>-1,252,746</u>	<u>-1,425,658</u>	
INTER. RATE - 1ST DAY OF REPORTING MONTH	1.060%	1.030%	0.980%	0.980%	1.030%	1.040%	1.330%	1.470%	1.600%	1.770%	1.940%	2.220%	
INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	<u>1.030%</u>	<u>0.980%</u>	<u>0.980%</u>	<u>1.030%</u>	<u>1.040%</u>	<u>1.330%</u>	<u>1.470%</u>	<u>1.600%</u>	<u>1.770%</u>	<u>1.940%</u>	<u>2.220%</u>	<u>2.340%</u>	
TOTAL (SUM LINES 5 & 6)	2.090%	2.010%	1.960%	2.010%	2.070%	2.370%	2.800%	3.070%	3.370%	3.710%	4.160%	4.560%	
AVG INTEREST RATE (LINE 7 TIMES 50%)	1.045%	1.005%	0.980%	1.005%	1.035%	1.185%	1.400%	1.535%	1.685%	1.855%	2.080%	2.280%	
MONTHLY AVG INTEREST RATE	0.087%	0.084%	0.082%	0.084%	0.086%	0.099%	0.117%	0.128%	0.140%	0.155%	0.173%	0.190%	
INTEREST PROVISION (LINE 4 TIMES LINE 9)	<u>278</u>	<u>-122</u>	<u>-480</u>	<u>-612</u>	<u>-786</u>	<u>-1,104</u>	<u>-1,296</u>	<u>-1,390</u>	<u>-1,628</u>	<u>-1,875</u>	<u>-2,171</u>	<u>-2,709</u>	<u>-13,891</u>

Program Progress Report

Reporting Period: **JANUARY 2004 THROUGH DECEMBER 2004**

Name: **RESIDENTIAL HM BUILDER**

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:	Water Heater	\$250
	Furnace	\$250
	Range	\$85
	Dryer	\$85

Program Summary

New Home Goal:	9,359
New Homes Connected:	<u>8,912</u>
Variance:	447
Percent of Goal:	95.2%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$6,270,806
Actual Cost:	\$5,534,310
Variance:	\$736,496

Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

OIL HEAT REPLACEMENT

Description: This program is designed to encourage customers to convert their existing oil burning heating systems to energy efficient natural gas heating so as to discourage those customers from switching to less costly resistance strip heating. The program offers allowances to defray the additional cost of installing gas appliances.

Program Allowance: Energy Efficient Gas Furnaces \$330

Program Summary

Goals:	6
Actual:	2
Variance:	4
Percent of Goals:	33.3%

Conservation Cost Variance Actual Vs. Projected

Projected Cost:	\$1,982
Actual Cost:	\$660
Variance:	\$1,322

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: Water Heater Load Retention

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating.
The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Water Heater \$100

Program Summary

Goals:	2,175
Actual:	2,180
Variance:	-5
Percent of Goal:	100.2%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$217,500
Actual Cost:	\$218,000
Variance:	-\$500

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Program Progress Report

Reporting Period: **JANUARY 2004 THROUGH DECEMBER 2004**

Name: **COMM ELECTRIC REPLACEMENT**

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances: For each kW Displaced **\$40**

Program Summary

Goals: (Projected kW Displaced)	1859
Actual:	2,335
Variance:	-475
Percent of Goal:	125.6%

Conservation Cost Variance - Actual Vs. Projected

Projected Cost:	\$74,369
Actual Cost:	\$93,385
Variance:	-\$19,016

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: RES ELECTRIC REPLACEMENT

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Water Heater	\$440
Furnace	\$440
Range	\$75
Dryer	\$75
Space Heating	\$65

Program Summary

Goals:	481
Actual:	446
Variance:	35
Percent of Goal:	92.8%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$275,959
Actual Cost:	\$256,065
Variance:	\$19,894

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$1,160,487
Actual Cost:	\$1,273,880
Variance:	-\$113,393

COMPLIANT. Copies Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 04 THROUGH DECEMBER 21 04

Name: GAS SPACE COND.

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: \$150 / ton

Program Summary

Program Goal:	589
Program Accomplishments:	336
Variance:	253
Percent of Goal:	57.1%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$88,340
Actual Cost:	\$50,440
Variance:	\$37,900

COMPANY: Peoples Gas System
Except West Florida Region
Exhibit No. _____
Docket No. 050004-GU
KMF-1

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: SMALL PACKAGE COGEN

Description: This program is designed to promote the direct use of natural gas to generate on-site power and utilize the waste heat for on-site heating, cooling and water heating requirements for commercial and industrial applications.

Program Summary: kW Deferred \$150 / kW
Feasibility Study \$5,000

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$6,668
Actual Cost:	\$0
Variance:	\$6,668

SCHEDULE CT-1

COMPANY: PEOPLES GAS SYSTEM
WEST FLORIDA REGION

Exhibit No. _____

Docket No. 050004-GU

KMF-2

ADJUSTED NET TRUE-UP
JANUARY 2004 THROUGH DECEMBER 2004

END OF PERIOD NET TRUE-UP

PRINCIPAL	2,093,237	
INTEREST	<u>21,223</u>	2,114,460

LESS PROJECTED TRUE-UP

PRINCIPAL	1,776,634	
INTEREST	<u>17,824</u>	<u>1,794,458</u>

ADJUSTED NET TRUE-UP		<u>320,002</u>
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) REFLECTS OVER-RECOVERY

ANALYSIS OF ENERGY CONSERVATION PROGRAM COSTS
ACTUAL VERSUS ESTIMATED
JANUARY 2004 THROUGH DECEMBER 2004

	<u>ACTUAL</u>	<u>PROJECTED*</u>	<u>DIFFERENCE</u>
CAPITAL INVESTMENT	0	0	0
PAYROLL & BENEFITS	58,189	65,392	-7,203
MATERIALS & SUPPLIES	0	0	0
ADVERTISING	168,687	122,211	46,476
INCENTIVES	3,502,630	3,116,216	386,414
OUTSIDE SERVICES	450	72	378
VEHICLES	0	0	0
OTHER	<u>0</u>	<u>0</u>	<u>0</u>
SUB-TOTAL	3,729,956	3,303,891	426,065
PROGRAM REVENUES	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL PROGRAM COSTS	3,729,956	3,303,891	426,065
LESS:			
PAYROLL ADJUSTMENTS	0	0	0
AMOUNTS INCLUDED IN RATE BASE	0	0	0
CONSERVATION REVENUES APPLICABLE TO THE PERIOD	-1,636,720	0	-1,636,720
ROUNDING ADJUSTMENT	<u>0</u>	<u>0</u>	<u>0</u>
TRUE-UP BEFORE INTEREST	2,093,237	3,303,891	-1,210,654
INTEREST PROVISION	<u>21,223</u>	<u>0</u>	<u>21,223</u>
END OF PERIOD TRUE-UP	<u>2,114,460</u>	<u>3,303,891</u>	<u>-1,189,431</u>

) REFLECTS OVER-RECOVERY
8 MONTHS ACTUAL AND 4 MONTHS PROJECTED

ACTUAL CONSERVATION PROGRAM COSTS PER PROGRAM
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	3,430,350	0	0	0	3,430,350
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	8,150	0	0	0	8,150
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	30,400	0	0	0	30,400
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	3,030	0	0	0	3,030
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	30,700	0	0	0	30,700
PROGRAM 6: COMMON COSTS	58,189	0	168,687	0	450	0	0	227,326
PROGRAM 7: GAS SPACE COND.	0	0	0	0	0	0	0	0
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20 (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	58,189	0	168,687	3,502,630	450	0	0	3,729,956

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CONSERVATION COSTS PER PROGRAM - VARIANCE ACTUAL VERSUS PROJECTED
JANUARY 2004 THROUGH DECEMBER 2004

PROGRAM NAME	PAYROLL & BENEFITS	MATERIALS & SUPPLIES	ADVERTIS.	INCENTIV.	OUTSIDE SERVICES	VEHICLE	OTHER	TOTAL
PROGRAM 1: RESIDENTIAL HM BUILDER	0	0	0	391,968	0	0	0	391,968
PROGRAM 2: ENERGY SAVINGS PAYBACK	0	0	0	200	0	0	0	200
PROGRAM 3: WATER HEATER LOAD RET	0	0	0	-1,168	0	0	0	-1,168
PROGRAM 4: COMM ELECTRIC REPLACEMENT	0	0	0	-2,652	0	0	0	-2,652
PROGRAM 5: RES ELECTRIC REPLACEMENT	0	0	0	1,398	0	0	0	1,398
PROGRAM 6: COMMON COSTS	-7,203	0	46,476	0	378	0	0	39,651
PROGRAM 7: GAS SPACE COND.	0	0	0	-3,332	0	0	0	-3,332
PROGRAM 8: MONITORING & RESEARCH	0	0	0	0	0	0	0	0
PROGRAM 9: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 10: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 11: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 12: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 13: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 14: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 15: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 16: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 17: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 18: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 19: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
PROGRAM 20: (TYPE NAME HERE)	0	0	0	0	0	0	0	0
TOTAL	-7,203	0	46,476	386,414	378	0	0	426,065

() REFLECTS PROJECTED OVER ACTUAL EXPENSE ESTIMATES

ENERGY CONSERVATION ADJUSTMENT CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

CONSERVATION REVENUES	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEP 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
1. RCS AUDIT FEES	0	0	0	0	0	0	0	0	0	0	0	0	0
2. OTHER PROGRAM REVS	0	0	0	0	0	0	0	0	0	0	0	0	0
3. CONSERV. ADJ REVS	<u>-407,183</u>	<u>-400,350</u>	<u>-300,856</u>	<u>-223,794</u>	<u>-178,234</u>	<u>-145,287</u>	<u>-136,149</u>	<u>-140,783</u>	<u>-149,199</u>	<u>-147,199</u>	<u>-137,476</u>	<u>-238,718</u>	<u>-2,605,231</u>
4. TOTAL REVENUES	<u>-407,183</u>	<u>-400,350</u>	<u>-300,856</u>	<u>-223,794</u>	<u>-178,234</u>	<u>-145,287</u>	<u>-136,149</u>	<u>-140,783</u>	<u>-149,199</u>	<u>-147,199</u>	<u>-137,476</u>	<u>-238,718</u>	<u>-2,605,231</u>
5. PRIOR PERIOD TRUE-UP NOT APPLICABLE TO THIS PERIOD	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>80,709</u>	<u>968,511</u>
6. CONSERVATION REVS APPLICABLE TO THE PERIOD	<u>-326,474</u>	<u>-319,641</u>	<u>-220,147</u>	<u>-143,085</u>	<u>-97,525</u>	<u>-64,578</u>	<u>-55,440</u>	<u>-60,074</u>	<u>-68,490</u>	<u>-66,490</u>	<u>-56,767</u>	<u>-158,009</u>	<u>-1,636,720</u>
7. CONSERVATION EXPS (FROM CT-3, PAGE 1)	167,487	259,568	647,017	357,766	226,845	363,566	270,462	340,913	272,365	267,684	219,674	336,610	3,729,956
8. TRUE-UP THIS PERIOD	-158,986	-60,073	426,870	214,681	129,320	298,988	215,022	280,839	203,874	201,194	162,907	178,602	2,093,237
9. INTER. PROV. THIS PERIOD (FROM CT-3, PAGE 3)	739	552	623	840	945	1,214	1,642	2,016	2,443	2,881	3,411	3,917	21,223
10. TRUE-UP & INTER. PROV. BEGINNING OF MONTH	968,511	729,554	589,324	936,107	1,070,919	1,120,474	1,339,967	1,475,921	1,678,067	1,803,674	1,927,041	2,012,650	
11. PRIOR TRUE-UP COLLECTED/(REFUNDED)	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	<u>-80,709</u>	
12. TOTAL NET TRUE-UP (SUM LINES 8+9+10+11)	<u>729,554</u>	<u>589,324</u>	<u>936,107</u>	<u>1,070,919</u>	<u>1,120,474</u>	<u>1,339,967</u>	<u>1,475,921</u>	<u>1,678,067</u>	<u>1,803,674</u>	<u>1,927,041</u>	<u>2,012,650</u>	<u>2,114,460</u>	<u>2,114,460</u>

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CALCULATION OF TRUE-UP AND INTEREST PROVISION
JANUARY 2004 THROUGH DECEMBER 2004

INTEREST PROVISION	JAN 2004	FEB 2004	MAR 2004	APR 2004	MAY 2004	JUN 2004	JUL 2004	AUG 2004	SEPT 2004	OCT 2004	NOV 2004	DEC 2004	TOTAL
1. BEGINNING TRUE-UP	968,511	729,554	589,324	936,107	1,070,919	1,120,474	1,339,967	1,475,921	1,678,067	1,803,674	1,927,041	2,012,650	
2. ENDING TRUE-UP BEFORE INTEREST	728,815	588,772	935,485	1,070,079	1,119,529	1,338,753	1,474,280	1,676,051	1,801,232	1,924,159	2,009,239	2,110,543	
3. TOTAL BEGINNING & ENDING TRUE-UP	1,697,326	1,318,326	1,524,809	2,006,186	2,190,448	2,459,227	2,814,247	3,151,972	3,479,298	3,727,834	3,936,279	4,123,192	
4. AVERAGE TRUE-UP (LINE 3 TIMES 50%)	848,663	659,163	762,404	1,003,093	1,095,224	1,229,613	1,407,123	1,575,986	1,739,649	1,863,917	1,968,140	2,061,596	
5. INTER. RATE - 1ST DAY OF REPORTING MONTH	1.060%	1.030%	0.980%	0.980%	1.030%	1.040%	1.330%	1.470%	1.600%	1.770%	1.940%	2.220%	
6. INTER. RATE - 1ST DAY OF SUBSEQUENT MONTH	1.030%	0.980%	0.980%	1.030%	1.040%	1.330%	1.470%	1.600%	1.770%	1.940%	2.220%	2.340%	
7. TOTAL (SUM LINES 5 & 6)	2.090%	2.010%	1.960%	2.010%	2.070%	2.370%	2.800%	3.070%	3.370%	3.710%	4.160%	4.560%	
8. AVG INTEREST RATE (LINE 7 TIMES 50%)	1.045%	1.005%	0.980%	1.005%	1.035%	1.185%	1.400%	1.535%	1.685%	1.855%	2.080%	2.280%	
9. MONTHLY AVG INTEREST RATE	0.087%	0.084%	0.082%	0.084%	0.086%	0.099%	0.117%	0.128%	0.140%	0.155%	0.173%	0.190%	
10. INTEREST PROVISION (LINE 4 TIMES LINE 9)	739	552	623	840	945	1,214	1,642	2,016	2,443	2,881	3,411	3,917	21,22

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Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: RESIDENTIAL HM BUILDER

Description: This program is designed to increase the number of high priority natural gas customers in the new residential construction market. The Company offers incentives in the form of gas appliance piping and venting allowances to assist builders in defraying the additional cost associated with the installation of gas appliances.

Program Allowances:	Water Heater	\$250
	Furnace	\$150
	Range	\$100
	Dryer	\$100

Program Summary

New Home Goal:	5,426
New Homes Connected:	<u>6,126</u>
Variance:	-700
Percent of Goal:	112.9%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$3,038,382
Actual Cost:	\$3,430,350
Variance:	-\$391,968

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Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: ENERGY SAVINGS PAYBACK

Description: This program has been designed to promote replacement of standard gas appliances with energy efficient natural gas appliances and will focus on water heaters, central heaters, ranges and dryers. Installation allowances are added to the program to encourage customers to consider the extra expense of energy efficient natural gas appliances in lieu of standard gas or electric appliances.

Installation allowance is \$50.00 per appliance

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$7,950
Actual Cost:	\$8,150
Variance:	-\$200

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: WATER HEATER LOAD RET

Description: This program is designed to encourage current natural gas customers to retain their natural gas water heating. The program offers allowances to customers to assist in defraying the cost of more expensive energy efficient appliances.

Program Allowances: Water Heater \$100

Program Summary

Goals:	316
Actual:	304
Variance:	12
Percent of Goal:	96.3%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$31,568
Actual Cost:	\$30,400
Variance:	\$1,168

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: COMM ELECTRIC REPLACEMENT

Description: This program is designed to encourage the replacement of electric resistance appliances in commercial establishments by offering piping and venting allowances to defray the additional cost of installing natural gas equipment.

Program Allowances: kW Displaced \$30

Program Summary

Goals: kW Displaced 189

Actual: 101

Variance: 88

Percent of Goal: 53.3%

Conservation Cost Variance - Actual vs. Projected

Projected Cost: \$5,682

Actual Cost: \$3,030

Variance: \$2,652

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Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: RES ELECTRIC REPLACEMENT

Description: This program is designed to encourage the replacement of electric resistance appliances in the residential market by offering piping and venting allowances to defray the additional cost of installing energy efficient natural gas appliances.

Water Heater	\$250
Furnace	\$500
Range	\$150
Dryer	\$150
Space Heat	\$150

Program Summary

Goals:	24
Actual:	26
Variance:	-1
Percent of Goal:	104.8%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$29,302
Actual Cost:	\$30,700
Variance:	-\$1,398

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Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: COMMON COSTS

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$187,675
Actual Cost:	\$227,326
Variance:	-\$39,651

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: GAS SPACE COND.

Description: This program is designed to convert on-main customers from electric space conditioning equipment to energy efficient natural gas space conditioning. The program offers piping and venting allowances to reduce the generally higher cost of installing gas space conditioning equipment. This program would also reduce summer as well as winter peak demand and contribute to the conservation of KWH / KWD consumption.

Program Allowance: \$100 / ton

Program Summary

Program Goal:	33
Program Accomplishments:	0
Variance:	33
Percent of Goal:	0.0%

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$3,332
Actual Cost:	\$0
Variance:	\$3,332

Program Progress Report

Reporting Period: JANUARY 2004 THROUGH DECEMBER 2004

Name: MONITORING & RESEARCH

Program Summary:

Conservation Cost Variance - Actual vs. Projected

Projected Cost:	\$0
Actual Cost:	\$0
Variance:	\$0